

IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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AFFIDAVIT OF SERVICE

I, Evan Gershbein, being duly sworn according to law, depose and say that I am employed by Kurtzman Carson Consultants, LLC, the Court appointed claims and noticing agent for the Debtors in the above-captioned cases.

On August 10, 2006, I caused to be served the documents listed below upon the parties listed on Exhibit A hereto via overnight delivery:

- 1) Debtors' Objection to Speedline Technologies Inc.'s Motion for Order Directing Return of Reclaimed Equipment or for Immediate Payment Thereof (Docket No. 4893) [a copy of which is attached hereto as Exhibit B]
- 2) Notice of Intention to Enter into Real Property Lease (Streetsboro, Ohio Lease) [a copy of which is attached hereto as Exhibit C]

On August 10, 2006, I caused to be served the document listed below upon the parties listed on Exhibit D hereto via overnight delivery:

- 3) Debtors' Objection to Speedline Technologies Inc.'s Motion for Order Directing Return of Reclaimed Equipment or for Immediate Payment Thereof (Docket No. 4893) [a copy of which is attached hereto as Exhibit B]

Dated: August 11, 2006

/s/ Evan Gershbein
Evan Gershbein

Subscribed and sworn to (or affirmed) before me on this 11th day of August, 2006, by Evan Gershbein, personally known to me or proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Signature : /s/ Amy Lee Huh

Commission Expires: 3/15/09

EXHIBIT A

COMPANY	CONTACT	ADDRESS1	ADDRESS2	CITY	STATE	ZIP	PHONE	FAX	EMAIL	PARTY / FUNCTION
Davis, Polk & Wardwell	Donald Bernstein Brian Resnick	450 Lexington Avenue		New York	NY	10017	212-450-4092 212-450-4213	212-450-3092 212-450-3213	donald.bernstein@dpw.com brian.resnick@dpw.com	Counsel to Debtor's Postpetition Administrative Agent
Delphi Corporation	Sean Corcoran, Karen Craft	5725 Delphi Drive		Troy	MI	48098	248-813-2000	248-813-2670	sean.p.corcoran@delphi.com karen.j.craft@delphi.com	Debtors
Fried, Frank, Harris, Shriver & Jacobson	Brad Eric Sheier Bonnie Steingart Vivek Melwani Jennifer L. Rodburg Richard J. Slivinski	One New York Plaza		New York	NY	10004	212-859-8000	212-859-4000	rodbuje@ffhsj.com sliviri@ffhsj.com	Counsel to Equity Security Holders Committee
JPMorgan Chase Bank, N.A.	Thomas F. Maher, Richard Duker, Gianni Russello	270 Park Avenue		New York	NY	10017	212-270-0426	212-270-0430	thomas.f.maher@chase.com richard.duker@jpmorgan.com gianni.russello@jpmorgan.com	Postpetition Administrative Agent
JPMorgan Chase Bank, N.A.	Vilma Francis	270 Park Avenue		New York	NY	10017	212-270-5484	212-270-4016	vilma.francis@jpmorgan.com	Prepetition Administrative Agent
Latham & Watkins LLP	Robert J. Rosenberg	885 Third Avenue		New York	NY	10022	212-906-1370	212-751-4864	robert.rosenberg@lw.com	Counsel to Official Committee of Unsecured Creditors
Simpson Thatcher & Bartlett LLP	Kenneth S. Ziman, Robert H. Trust, William T. Russell, Jr.	425 Lexington Avenue		New York	NY	10017	212-455-2000	212-455-2502	kziman@stblaw.com rtrust@stblaw.com wrussell@stblaw.com	Counsel to Debtor's Prepetition Administrative Agent, JPMorgan Chase Bank, N.A.
Skadden, Arps, Slate, Meagher & Flom LLP	John Wm. Butler, John K. Lyons, Ron E. Meisler	333 W. Wacker Dr.	Suite 2100	Chicago	IL	60606	312-407-0700	312-407-0411	jbutler@skadden.com jlyonsch@skadden.com rmeisler@skadden.com	Counsel to the Debtor
Skadden, Arps, Slate, Meagher & Flom LLP	Kayalyn A. Marafioti, Thomas J. Matz	4 Times Square	P.O. Box 300	New York	NY	10036	212-735-3000	212-735-2000 212-668-2255 does not take service via fax	kmarafo@skadden.com tmatz@skadden.com	Counsel to the Debtor
United States Trustee	Alicia M. Leonhard	33 Whitehall Street	21st Floor	New York	NY	10004-2112	212-510-0500			Counsel to United States Trustee

EXHIBIT B

Hearing Date: August 17, 2006
Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

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Debtors and Debtors-in-Possession

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
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In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
	:	(Jointly Administered)
Debtors.	:	
-----X	:	

DEBTORS' OBJECTION TO SPEEDLINE TECHNOLOGIES INC.'S MOTION FOR
ORDER DIRECTING RETURN OF RECLAIMED EQUIPMENT OR FOR
IMMEDIATE PAYMENT THEREOF

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates (the "Affiliate Debtors"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this objection (the "Objection") to the motion of Speedline Technologies Inc. ("Speedline") for an order directing the return of reclaimed equipment or for immediate payment of an administrative expense, dated July 25, 2006 (together, with the letter and errata sheet dated July 26, 2006 (Docket No. 4683), the "Motion") (Docket No. 4678). In support of the Objection, the Debtors respectfully represent as follows:

Preliminary Statement

1. Speedline's Motion should be denied. The relief requested in the Motion seeks unjustified preferential treatment and is unreasonable and prejudicial to the Debtors' estates at a point in these chapter 11 reorganization cases when critical facts regarding Speedline's reclamation claim cannot be determined. First, although the Debtors have offered Speedline an acknowledgement of a potential reclamation claim in the amount of \$189,005.00¹ – the full value of Speedline's equipment that it seeks to reclaim – the Debtors have determined not to pay Speedline's potential reclamation claim until it is known whether the prepetition lenders' secured claims will be paid in full out of collateral other than equipment shipped by Speedline. For if the prepetition lenders'

¹ This offer was made pursuant to that certain statement of reclamation (the "Statement of Reclamation") dated February 21, 2006 that was provided by the Debtors to Speedline pursuant to the Amended Final Order Under 11 U.S.C. §§ 362, 503, And 546 And Fed. R. Bankr. P. 9019 Establishing Procedures For The Treatment Of Reclamation Claims (Docket No. 881) (the "Final Reclamation Order"), a copy of which is attached hereto as Exhibit A. In accordance with paragraph 2, subsection (b)(ii) of the Final Reclamation Order, in the Statement of Reclamation the Debtors reserved their right to seek a judicial determination that certain reserved defenses are valid, including but not limited to the defense that the reclaimed goods or the proceeds from the sale of the goods are subject to a valid security interest. A copy of the Statement of Reclamation is attached hereto as Exhibit B.

secured claims remain unpaid, and their related liens unsatisfied, or if the secured claims are paid in part from proceeds of equipment shipped by Speedline, Speedline's reclamation claim likely will not be entitled to administrative expense priority. Because the ultimate treatment of the prepetition lenders' secured claims, and source of any payment therefrom, will not be known until a plan of reorganization is confirmed and consummated, the Debtors are well within their discretion to elect not to pay Speedline's reclamation claim at this time. That is not to say conclusively that the reclamation claims of Speedline and others are not entitled to administrative expense priority. On the contrary, a valid reclamation claim is subject to, but not extinguished by, a prior perfected security interest.²

2. Second, Speedline's request for immediate payment of an administrative expense claim should be denied because, under the facts and circumstances presented here, it is appropriate for the Debtors to exercise the discretion

² On the date of this Objection, the Official Committee of Unsecured Creditors (the "Creditors' Committee") filed the Objection Of the Official Committee Of Unsecured Creditors To Speedline Technologies Inc.'s Motion For Order Directing Return Of Reclaimed Equipment Or For Immediate Payment Thereof (Docket No. 4887), asserting that the Debtors' secured debt renders Speedline's reclamation claim valueless and that Speedline is not entitled to reclamation or an administrative priority claim. The Debtors disagree with the position taken by the Creditors' Committee in their objection. As stated in this Objection, it is the Debtors' position that at this time it is unknown whether the existence of a prior perfected lien on the Debtors' assets will negate the potential administrative priority of Speedline's reclamation claim until it is determined how the prepetition lenders' secured claims will be satisfied pursuant to a confirmed plan of reorganization.

(The Debtors vigorously disagree with the Creditors' Committee's contention in footnote 6 of their objection that the Debtors have not yet provided the Creditors' Committee with the complete reclamation report as required under paragraph 3 of the Final Reclamation Order. Indeed, on December 19, 2005, the Debtors provided the Creditors' Committee with a report compliant with the Final Reclamation Order. The Creditors' Committee has contended that this report does not include sufficient explanation of the Debtors' position on the reserved defenses; the Debtors disagree with the Creditors' Committee's contention. In any event, as noted by the Creditors' Committee in footnote 6 to their objection, the Debtors and the Creditors' Committee are working out a consensual protocol for allowing the Debtors to waive reserved defenses with respect to individual reclamation claims with the Creditors' Committee's consent.)

granted them by this Court in the Final Reclamation Order to elect not to pay Speedline's claim until consummation of a plan of reorganization – when it will be known whether the prepetition lenders' liens negate the potential administrative expense treatment of Speedline's reclamation claim.

3. Moreover, Speedline has failed to state a compelling reason justifying the immediate payment of their reclamation claim despite this uncertainty. Paying Speedline now would invite similar requests from other reclamation claimants, forcing the Debtors to expend further resources on each such request, analyzing the reserved defenses and determining whether the secured debt could be satisfied from the collateral other than the requesting party's reclaimed goods. Doing so now would be a waste of resources, since this issue will be resolved pursuant to a plan of reorganization.

4. Finally, Speedline's assertion that it will be prejudiced if it is not paid now because the Debtors may borrow funds under the Debtors' postpetition debtor-in-possession financing facility (the "DIP Financing Facility"), further eroding its ability to obtain payment, is tardy and without merit. If Speedline believed it would suffer prejudice by reason of the priming features under the DIP Financing Facility, it should have raised an objection prior to approval by the Court. Moreover, Speedline's fear, if justified, further underscores the necessity to defer payment until it is known whether the prepetition lenders' secured claims will be paid in full from collateral other than the equipment supplied by Speedline.

Argument

I. Speedline's Request Is Prejudicial Because It Is
Unknown Whether Reclamation Claims Will Be
Extinguished By Prepetition Secured Lenders' Liens

A. Reclamation Claims Are Subject To,
But Not Extinguished By, A Security Interest

5. Reclamation is a seller's remedy under which the seller may "reclaim" goods that were sold and delivered to a buyer on credit upon its discovery of the buyer's insolvency. Outside bankruptcy, a seller's reclamation rights are governed by Section 2-702 of the Uniform Commercial Code ("U.C.C."), as enacted by the applicable states. U.C.C. § 2-702(2) (2003). Once a buyer is in bankruptcy, however, section 546(c) of the Bankruptcy Code provides the "exclusive remedy" for a seller's reclamation rights.³

³ Section 546(c) provides, in relevant part:

[With certain exceptions], the rights and powers of a trustee . . . are subject to any statutory or common-law right of a seller of goods that has sold goods to the debtor, in the ordinary course of such seller's business, to reclaim such goods if the debtor has received such goods while insolvent, but--

(1) such a seller may not reclaim any such goods unless such seller demands in writing reclamation of such goods—

(A) before 10 days after receipt of such goods by the debtor; or

(B) if such 10-day period expires after the commencement of the case, before 20 days after receipt of such goods by the debtor; and

(2) the court may deny reclamation to a seller with such a right of reclamation that has made such a demand only if the court—

(A) grants the claim of such a seller priority as a claim of a kind specified in section 503(b) of this title [11 U.S.C. § 503(b)]; or

(B) secures such claim by a lien.

11 U.S.C. § 546(c).

6. Under state law, a seller's right to reclaim goods is subject to the rights of a good faith purchaser, which includes a prior perfected secured creditor holding a lien on present and future assets, including inventory. See U.C.C. § 2-702(3) (2003) ("The seller's right to reclaim . . . is subject to the rights of a buyer in ordinary course of business or other good-faith purchaser . . ."); see, e.g., Galey & Lord Inc. v. Arley Corp. (In re Arlco, Inc.), 239 B.R. 261, 276-77 (Bankr. S.D.N.Y. 1999); In re Victory Markets Inc., 212 B.R. 738, 742 (Bankr. N.D.N.Y. 1997) ("It is well-settled law that absent a showing of bad faith, a holder of a prior perfected, floating lien on inventory will be treated as a good faith purchaser with rights superior to those of a reclaiming seller.").

7. The majority of courts follow state law principles in holding that the value of any administrative claim allowed or lien granted to a reclamation claimant may not exceed the value of the state law right of reclamation. See In re Arlco, 239 B.R. at 272 (citing Pester Ref. co. v. Ethyl Corp. (In re Pester Ref. Co.), 964 F.2d 842, 847 (8th Cir. 1992)). These courts take the view that reclaiming sellers are entitled to an administrative claim or lien only to the extent of the value of the lost right of reclamation — that is, the value of the reclamation right outside the bankruptcy context. See In re Arlco, 239 B.R. at 272 (granting reclaiming seller administrative claim or lien on other assets of debtor would confer on seller a priority status in bankruptcy that seller otherwise would not have under state law).

B. Speedline Is Seeking Administrative Priority Before
The Value Of Its Reclamation Claim Can Be Determined

8. Speedline asserts that the perfected security interest in certain of the Debtors' assets does not extinguish Speedline's reclamation rights because the

Debtors' secured creditors are "comfortably over-secured." Speedline Motion at ¶¶ 29-30. Speedline is correct in stating that a perfected security interest would extinguish an otherwise valid reclamation claim only when the debtor's assets are insufficient to satisfy both the secured creditor and the reclaiming seller. See In re Arlco, 239 B.R. at 272. What Speedline overlooks, however, is that although the reclamation claim of a seller subject to the rights of a perfected secured creditor is not automatically extinguished by the existence of a lien, a reclaiming seller is also not automatically granted an administrative claim or lien in the full amount sought. In re Arlco, 239 B.R. at 273 (citing In re Victory Markets, 212 B.R. at 743). "Rather, the reclaiming seller's right to reclaim depends on the value of the excess goods remaining once the secured creditor's claim is paid or released." Id.

9. Thus, the value of a reclamation claim will be determined by the decision that a secured creditor makes with respect to its lien on the reclaimed goods. A secured creditor has several options for receiving satisfaction of the debt owed to it and the subsequent release of its lien on the debtor's assets. The secured creditor may choose to foreclose on the goods sold by the reclaiming creditor. Or, as in Arlco, the secured creditor may allow a debtor to sell inventory and other assets including reclaimed goods and take payment from the proceeds of that sale. In each instance, when the secured debt is paid from the reclaimed goods or the proceeds from the sale of the reclaimed goods, the reclamation claims are rendered valueless and the reclaiming seller is left with an unsecured claim. The United States Bankruptcy Court for the Southern District of New York has even held that reclamation claims were extinguished when a secured creditor transferred its lien to a postpetition lender in exchange for the payment of the amount

owed to it. See In re Dairy Mart Convenience Stores, 302 B.R. 128, 135-36 (Bankr. S.D.N.Y. 2003).

10. If a secured creditor releases its lien on the goods or is paid in full from other sources, however, courts have held that a reclaiming seller retains a priority interest in any remaining goods. See Pester Ref. Co., 964 F.2d at 848 (prepetition secured creditors were paid in full from sources other than reclamation goods and released their liens, including their liens on such goods, under debtor's confirmed plan of reorganization); In re Phar-Mor, Inc., 301 B.R. 482, 497-98 (Bankr. N.D. Ohio 2003) (secured claims of prepetition lenders were paid in full from proceeds of postpetition credit facility and not from sale of reclamation goods, and upon such payment, prepetition lenders released their liens on debtors' property rather than assigning them to postpetition lenders).

11. Thus, as set forth above, it is the ultimate disposition of the secured creditor's security interest in the goods that will determine the value of the seller's right to reclaim. See In re Arlco, 239 B.R. at 273 (quoting Pester, 964 F.2d at 847). Here, the ultimate disposition of the prepetition lenders' security interest in the equipment likely will not be made until a plan of reorganization is negotiated between the Debtors and its stakeholders – including its secured lenders – and that plan is confirmed and consummated. For these reasons, the Debtors are well within their discretion to elect not to pay Speedline's reclamation claim until the Debtors negotiate, confirm, and consummate a plan of reorganization.

II. It Is Appropriate For The Debtors To Exercise
Their Discretion To Pay Administrative Expenses
At Or After Plan Consummation

12. Speedline is correct to note, as it does at paragraphs 39-40 of its Motion, that the decision as to timing of payment of administrative expense claims is a matter that lies within discretion of this Court. See, e.g., Varsity Carpet Services, Inc. v. Richardson (In re Colortex Industries, Inc.), 19 F.3d 1371, 1384 (11th Cir. 1994) (denial of trade creditor's motion for immediate payment of administrative expenses arising out of performance of carpet finishing services for debtor after petition date was not abuse of bankruptcy court's discretion, when court was aware of significant claims that held potentially higher priority than those of trade creditor); In re HQ Global Holdings, Inc., 282 B.R. 169, 173-74 (Bankr. D. Del. 2002) (administrative expense claims may be deferred if subsequent events may moot such claims); In re TLI, Inc., 213 B.R. 946, 952 (N.D. Tex. 1997) (holding that bankruptcy courts have considerable discretion in addressing timing of post-confirmation administrative expense payments). It is entirely within this Court's discretion to determine that under the facts and circumstances presented here, payment of Speedline's reclamation claim should await consummation of a plan of reorganization.

13. In this instance, waiting until the plan of reorganization is confirmed and consummated is justified when it is not entirely certain that an administrative claimant such as Speedline would be entitled to such payment upon consummation of a plan of reorganization. See HQ Global Holdings, Inc., 282 B.R. at 174. In HQ Global Holdings, Inc., the bankruptcy court held that the decision on amount and payment of landlords' administrative expense claims for fair rental value of leased

property used by the debtor-in-possession would have to await decision by the debtor on whether to assume or reject leases. In that case, the landlords sought the immediate payment as an administrative expense of "stub rent" for the period from the petition date to the final day of the month in which the petition was filed. The debtors argued that this "stub rent" was a prepetition obligation because the rent accrued on the first day of the month, prior to the petition date. The United States Bankruptcy Court for the District of Delaware held that assumption of the underlying leases would moot the issue, because the "stub rent" would be cured and that deferral of the timing decision would reduce legal fees for debtors and landlords and be more economic and efficient of judicial resources. Id. at 174-75; see also In re UAL Corp., 291 B.R. 121, 127 (Bankr. N.D. Ill. 2003) (denying lessors' motions for immediate payment of stub period rent, without prejudice to assertion of administrative expense claims) (citing HQ Global Holdings, Inc.). Similarly, in the facts and circumstances presented here, the Court should deny Speedline's request for immediate payment of its reclamation claim pending the formulation and prosecution of a plan of reorganization that may ultimately provide Speedline the relief it currently seeks.

14. Speedline also asserts that "immediate payment of the administrative expense priority claim is contemplated by the [Final] Reclamation Order, which provides:

(ii) All Allowed Reclamation Claims for which the Debtors choose not to make the Goods available for pick-up shall, subject to the review procedures with the Creditors' Committee set for the below, be paid in full as an administrative expense at any time during these chapter 11 cases in the sole discretion of the Debtors or pursuant to a confirmed plan of reorganization, in either case only if and to the extent that such allowed reclamation claims constitute administrative expenses under applicable

law. See [Final] Reclamation Order, Paragraph 2(d)(ii) (emphasis added)."

Speedline Motion at ¶ 41. What is telling in this instance is the text that follows – text that Speedline does not emphasize – which further provides that payment of allowed reclamation claims as administrative expenses is "in the sole discretion of the Debtors or pursuant to a confirmed plan of reorganization." Final Reclamation Order, ¶ 2(d)(ii).

15. This Court delegated that discretion to the Debtors pursuant to the Final Reclamation Order. Speedline presents no reason why the Court should now divest the Debtors of this discretion by requiring immediate payment. Because it likely will not be known until a plan of reorganization is consummated whether Speedline has a valid reclamation claim entitled to administrative expense priority, it is appropriate for the Debtors to exercise that discretion by electing not to pay the claim at this time.

16. Nor does Speedline state a compelling reason why its reclamation claim should be paid now. In its Motion, Speedline asks that it "get paid like all other creditors who are providing and have provided post petition benefits to Delphi." Speedline Motion at ¶ 42. Here, Speedline compares itself to other parties who have provided postpetition services and goods to the Debtors, claiming that it, too, deserves payment of administrative expense claims. Speedline is mistaken. This is not an issue arising under section 503(b) of the Bankruptcy Code. On the contrary, the relevant class that Speedline belongs to is that of the approximately 700 reclamation claimants who have made 855 separate reclamation demands in these chapter 11 reorganization cases and who have provided goods to the Debtors prepetition.

17. As of the date of this Objection, more than 80% of the reclaiming sellers have assented, or have been deemed to have assented, to the Debtors' proposed treatment of their reclamation claim. In the aggregate, such agreed reclamation claims exceed approximately \$16.2 million, subject to certain reserved defenses.⁴ If Speedline's request is granted, it is likely that other reclamation claimants would file similar requests for the Debtors to pay other reclamation claims. In such instances, the Debtors would have to analyze each such request to determine the effect of the reserved defenses on each request and whether the secured debt could be satisfied from collateral other than the requesting party's reclaimed goods, expending estate resources on an issue that will be resolved pursuant to a plan of reorganization.

18. The best, and most fair, way to treat these reclamation claimants is to resolve their reclamation claims together, as a class, unless there are other clear and compelling circumstances that dictate otherwise.⁵ The best means for treating a class of claims such as the reclamation claimants' reclamation claims is through a plan of reorganization. For that reason, the Debtors requested – and were granted in the Final Reclamation Order – the discretion to pay any allowed reclamation claim at any time during these cases, including through a plan of reorganization. The Debtors respectfully request that the Court deny Speedline's request to override the Debtors' discretion pending the formulation and consummation of a plan of reorganization.

⁴ With respect to the remaining unresolved claims, the Debtors have recognized valid reclamation claims in the amount of approximately \$5.4 million. As the Debtors continue to resolve such claims, that amount may increase.

⁵ Such circumstances could include, among others, that the failure to pay the reclamation claim could imperil the financial health of a particular supplier.

III. Speedline's Assertion That The DIP Financing Facility Erodes Its Ability to Obtain Administrative Expense Is Tardy And Without Merit

19. Speedline also asserts that requiring it to await confirmation of a plan could prejudice Speedline by subjecting it to additional secured debt under the DIP Financing Facility. This argument is tardy and without merit. This Court approved the DIP Financing Facility pursuant to the Final Order Under 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), And 364(e) And Fed. R. Bankr. P. 2002, 4001, and 9014 (I) Authorizing Debtors To Obtain Postpetition Financing, (II) To Utilize Cash Collateral, And (III) Granting Adequate Protection To Prepetition Secured Parties (Docket No. 797), dated October 28, 2005.

20. The deadline for objecting to this relief was October 20, 2005 at 4:00 p.m. (prevailing eastern time).⁶ As noted in Speedline's Motion, Speedline submitted its reclamation demand to the Debtors on October 19, 2005. Speedline Motion at ¶ 14, Ex. D. If Speedline believed it would be prejudiced by the priming features under the DIP Financing Facility, then it should have objected prior to the October 20, 2005 objection deadline. In any event, Speedline's concern that the Debtors may need additional borrowings under the DIP Facility, thereby eroding any "equity cushion" the prepetition secured lenders may have in the Debtors' collateral, further underscores the wisdom of waiting until a plan of reorganization has been formulated and consummated before determining whether Speedline's reclamation claim should be paid.

⁶ A copy of the hearing agenda for the October 27, 2005 omnibus hearing at which the Debtors' motion for approval of its debtor-in-possession financing was heard is attached hereto as Exhibit C. The objection deadline is stated on page 10, footnote 1.

Conclusion

21. For the reasons set forth above, Speedline's request for immediate payment of its reclamation claim prior to payment of all other reclamation claimants and before the Court has the facts necessary to determine whether there are valid defenses to payment, should be denied.

Notice

22. Notice of this Objection has been provided in accordance with the Seventh Supplemental Order Under 11 U.S.C. §§ 102(1) And 105 And Fed. R. Bankr. P. 2002(m), 9006, 9007, And 9014 Establishing Omnibus Hearing Dates And Certain Notice, Case Management, And Administrative Procedures, entered by this Court on May 19, 2006 (Docket No. 3824). In light of the nature of the relief requested, the Debtors submit that no other or further notice is necessary.

Memorandum Of Law

23. Because the legal points and authorities upon which this Objection relies are incorporated herein, the Debtors respectfully request that the requirement of the service and filing of a separate memorandum of law under Local Rule 9013-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York be deemed satisfied.

WHEREFORE the Debtors respectfully request that the Court enter an order (i) denying the Motion and (ii) granting the Debtors such other and further relief as is just.

Dated: New York, New York
August 10, 2006

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ John Wm. Butler, Jr.
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Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

EXHIBIT A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re :
: Chapter 11
DELPHI CORPORATION, et al., :
: Case No. 05-44481 (RDD)
Debtors. :
: (Jointly Administered)
:
-----X

AMENDED FINAL ORDER UNDER 11 U.S.C. §§ 362, 503, AND 546 AND FED. R.
BANKR. P. 9019 ESTABLISHING PROCEDURES FOR THE TREATMENT OF
RECLAMATION CLAIMS

("AMENDED FINAL RECLAMATION ORDER")

Upon the motion, dated October 8, 2005 (the "Motion"),¹ of Delphi Corporation ("Delphi") and certain of its domestic subsidiaries and affiliates (the "Affiliate Debtors"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), for an order under sections 362, 503, and 546 of the Bankruptcy Code authorizing the Debtors to establish procedures for the resolution and payment of reclamation claims; and upon the Affidavit Of Robert J. Miller, Jr. In Support Of Chapter 11 Petitions And First Day Orders, sworn to October 8, 2005; and the Court having entered its Final Order on October 14, 2005 (Docket No. 230) (the "Prior Order"); and the Official Committee of Unsecured Creditors (the "Creditors' Committee") having timely filed an objection to the Final Order pursuant to paragraph 8 thereof on October 25, 2005 (Docket No. 636) (the "Objection"); and the Objection having been set for hearing on November 4, 2005; and the Debtors and the Creditors' Committee having resolved the

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Motion.

Objection through the entry of this Order; and upon the record of the hearing held on the Motion; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Prior Order is amended and superceded in its entirety as provided herein.
2. The Debtors be and hereby are authorized, pursuant to sections 362, 503, and 546 of the Bankruptcy Code, to resolve Reclamation Claims in accordance with the Reclamation Procedures set forth below, including paragraph 3 hereof:

(a) Reclamation Demands:

- (i) All Sellers seeking to reclaim Goods from the Debtors shall be required to submit a written demand (a "Reclamation Demand"):
 - (1) before 10 days after receipt of such Goods by the Debtors; or
 - (2) if such 10-day period expires after the Petition Date, before 20 days after receipt of such Goods by the Debtors.
- (ii) Such a Reclamation Demand must identify with specificity the goods for which reclamation is sought and the basis for the Reclamation Claim.
- (iii) Any Seller who fails to timely submit a Reclamation Demand pursuant to section 546 of the Bankruptcy Code shall be deemed to have waived its right to payment on any purported Reclamation Claim.

(b) The Statement Of Reclamation:

- (i) Within 90 days after the Petition Date or receipt of a timely Reclamation Demand, whichever is later, the Debtors shall provide the Seller with a copy of the Reclamation Order and a statement of reclamation (the "Statement Of Reclamation" or the "Statement").
- (ii) The Statement Of Reclamation shall set forth the extent and basis, if any, upon which the Debtors believe the underlying Reclamation Claim is not legally valid (the "Reconciled Reclamation Claim"). In addition, the Statement shall identify any defenses that the Debtors choose to reserve, notwithstanding any payment of the Reconciled Reclamation Claim (the "Reserved Defenses").
- (iii) Sellers who are in agreement with the Reconciled Reclamation Claim as contained in the Statement Of Reclamation may indicate such assent on the Statement Of Reclamation and return the Statement to the Debtors' representative as set forth in such Statement, with copies to Skadden, Arps, Slate, Meager & Flom LLP, 333 West Wacker Drive, Suite 2100, Chicago, Illinois 60606 (Att'n: John K. Lyons, Esq. and Allison Verderber Herriott, Esq.) within 60 days after the date of receipt of the Statement Of Reclamation (the "Reconciliation Deadline").
- (iv) Sellers who are in disagreement with the Reconciled Reclamation Claim as contained in the Statement Of Reclamation (the "Dissenting Sellers") must indicate such dissent on the Statement Of Reclamation and return the Statement by the Reconciliation Deadline as provided in subparagraph (c) above. A Statement Of Reclamation returned under this subparagraph must be accompanied by:
 - (1) a copy of the Reclamation Demand together with any evidence of the date such Reclamation Demand was sent and received;
 - (2) the identity of the Debtor that ordered the products and the identity of the Seller from whom the Goods were ordered;

- (3) any evidence demonstrating when the Goods were shipped and received;
 - (4) copies of the respective Debtor's and Seller's purchase orders, invoices, and proofs of delivery together with a description of the Goods shipped; and
 - (5) a statement identifying which information on the Debtors' Statement Of Reclamation is incorrect, specifying the correct information and stating any legal basis for the objection.
 - (v) The failure of a Dissenting Seller to materially comply with subparagraph (d) above shall constitute a waiver of such Dissenting Seller's right to object to the proposed treatment and allowed amount of such Reclamation Claim unless the Court orders otherwise.
 - (vi) Any Seller who fails to return the Statement Of Reclamation by the Reconciliation Deadline or who returns the Statement Of Reclamation by the Reconciliation Deadline but fails to indicate assent or dissent shall be deemed to have assented to the Reconciled Reclamation Claim.
- (c) Fixing The Amount Of The Reclamation Claim:
- (i) The Reclamation Claims of (i) all Sellers who return the Statement Of Reclamation by the Reconciliation Deadline and indicate their assent to the Reconciled Reclamation Claim as contained in the Statement Of Reclamation, (ii) all Sellers who fail to return the Statement Of Reclamation by the Reconciliation Deadline, and (iii) all Sellers who return the Statement Of Reclamation by the Reconciliation Deadline but who fail to indicate either assent or dissent shall be deemed an Allowed Reclamation Claim in the amount of the Reconciled Reclamation Claim.
 - (ii) The Debtors are authorized to negotiate with all Dissenting Sellers and to adjust the Reconciled Reclamation Claim either upward or downward to reach an agreement regarding the Dissenting Seller's Reclamation Claim. The Debtors are also authorized to include any Reserved Defenses as part of any such

agreement. In the event the Debtors and a Dissenting Seller are able to settle on the amount and/or treatment of the Dissenting Seller's Reclamation Claim, the Reclamation Claim shall be deemed an Allowed Reclamation Claim in the settled amount.

- (iii) In the event that no consensual resolution of the Dissenting Seller's Reclamation Demand is reached within 60 days of the Reconciliation Deadline (or such later date as the parties agree), the Debtors shall file a motion for determination of the Dissenting Seller's Reclamation Claim and set such motion for hearing at the next regularly-scheduled omnibus hearing occurring more than 20 days after the filing of the motion for determination, unless another hearing date is agreed to by the parties or ordered by the Court (the "Determination Hearing"). The Dissenting Seller's Reclamation Claim, if any, shall be deemed an Allowed Reclamation Claim as fixed by the Court in the Determination Hearing or as agreed to by the Debtors and the Dissenting Seller prior to a determination by the Court in the Determination Hearing.

(d) Treatment Of Allowed Reclamation Claims:

- (i) The Debtors may at any point in these Reclamation Procedures satisfy in full any Reclamation Claim or Allowed Reclamation Claim by making the Goods at issue available for pick-up by the Seller or Dissenting Seller.
- (ii) All Allowed Reclamation Claims for which the Debtors choose not to make the Goods available for pick-up shall, subject to the review procedures with the Creditors' Committee set forth below, be paid in full as an administrative expense at any time during these chapter 11 cases in the sole discretion of the Debtors or pursuant to a confirmed plan of reorganization, in either case only if and to the extent that such allowed reclamation claims constitute administrative expenses under applicable law.

3. Notwithstanding anything in this Order to the contrary, prior to the Debtors' return of any goods in respect of any Reclamation Claim or the Debtors' acceptance or agreement

to the allowance of or the payment of any Reclamation Claim, the Debtors shall as promptly as reasonably practicable provide the professionals to the Creditors' Committee with a "Reclamation Report," the first version of which shall cover at least 75% of the face value of all Reclamation Claims asserted against the Debtors and later versions of which shall also cover such additional Reclamation Claims as is reasonably practicable. Each Reclamation Report shall include (a) a list of each reclamation vendor asserting a Reclamation Claim, (b) a summary of the assertions of each reclamation vendor and the amount of each Reclamation Claim, (c) the Debtors' legal analysis of, and position with respect to, any legal issues that relate to the validity and allowability of all or any material portion of the Reclamation Claims, (d) the Debtors' legal analysis of, and position with respect to, any legal issues that relate specifically to one or more Reclamation Claims and (e) the actions (including allowance or payment of a Reclamation Claim and any return of goods subject to a Reclamation Claim) that the Debtors propose to take with respect to each Reclamation Claim. The Creditors' Committee may file a written objection to all or any portion of a Reclamation Report (an "Objection") within ten business days after the Creditors' Committee's receipt of such Reclamation Report (or such later time as the Debtors and the Creditors' Committee shall agree in writing). Objections shall be set for hearing for the next applicable monthly omnibus hearing and noticed by the Creditors' Committee, both in accordance with the Case Management Order. If the Creditors' Committee does not timely object to a particular Reclamation Report as provided in this paragraph, the Debtors shall be entitled to take the actions set forth in such Reclamation Report. If the Creditors' Committee files an Objection, the Debtors shall not take any action with respect to the Reclamation Claims covered by the Objection to such Reclamation Report except in accordance with an order of the

Court and shall be entitled to take the action set forth in such Reclamation Report with respect to the Reclamation Claims not covered by the Objection.

4. All adversary proceedings, except those proceedings brought by the Debtors in accordance with these procedures (the "Reclamation Procedures"), in these cases relating to Reclamation Claims, whether currently pending or initiated in the future, shall be, and hereby are, stayed, and the claims asserted therein shall be subject to the Reclamation Procedures set forth herein.

5. In accordance with the foregoing and pursuant to section 503(b) of the Bankruptcy Code, vendors shall have administrative expense priority status for those undisputed obligations arising from shipments of goods received and accepted by the Debtors on or after the Petition Date.

6. To the extent necessary or appropriate, the Debtors shall seek Court approval of any settlements and compromises with trade vendors with respect to payments of reclamation claims.

7. Nothing in this Order shall constitute a waiver of any of the Debtors' claims against any vendor, including claims relating to preferential or fraudulent transfers and other potential claims, counterclaims, or offsets. The Debtors expressly reserve their rights to pursue such claims.

8. Nothing herein shall constitute a waiver by the agent under the Debtors' prepetition credit facility of its right to contest the allowance of any reclamation claim.

9. The entry of this Order is final.

10. Nothing herein shall preclude the holder of an Allowed Reclamation Claim from seeking payment of such claim in a manner other than that set forth in this Order.

11. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

12. The requirement under Local Rule 9013-1(b) for the service and filing of a separate memorandum of law is deemed satisfied by the Motion.

Dated: November 4, 2005
New York, New York

/s/ Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

DELPHI

February 21, 2006

Shmuel Vasser, Esq
Speedline Technologies
Edwards & Angell LLP
750 Lexington Avenue
New York, NY 10022

Re: Delphi Corporation, Case No. 05-44481 (RDD)

Dear Shmuel Vasser, Esq:

On November 4, 2005, the United States Bankruptcy Court for the Southern District of New York, entered an amended final order establishing certain procedures for the resolution of reclamation claims (the "Amended Final Order") and on January 5, 2006, the Bankruptcy Court entered an order extending the deadline to send statements of reclamation to all reclamation claimants (the "Extension Order" and together with the Amended Final Order, collectively the "Order") in the chapter 11 reorganization proceedings of Delphi Corporation and certain of its subsidiaries and affiliates (collectively, "Delphi" or the "Debtors"). A copy of the Amended Final Order and the Extension Order are enclosed herewith.

The Order requires the Debtors to tender a "Statement of Reclamation" in response to each Reclamation Demand that the Debtors have received. This letter, together with the enclosures, constitute the Debtors' Statement of Reclamation with respect to the Reclamation Demand(s) submitted by Speedline Technologies (the "Demand"). We have identified your Demand as Reclamation Claim No 805.

The Debtors have reviewed the Demand and reconciled the Demand with their books and records. Based upon this review and reconciliation, the Debtors have summarized, in the enclosed reclamation analysis, certain invoice, shipment, and related detail concerning the Demand. In accordance with paragraph 2, section (b)(ii) of the Order, the analysis sets forth the extent and basis upon which the Debtors believe that the Demand may or may not be legally valid (subject to assertion of certain defenses as indicated below, which if asserted, could result in the reduction or disallowance of the reclamation claim) (the "Reconciled Reclamation Claim") by indicating whether the Demand was received within the periods allowed by law; whether goods subject to the Demand have been paid for; and whether there are other deductions or disputes asserted by the Debtors.

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February 21, 2006
Page 2

Reconciled Amount \$189,005.00

Based on the foregoing, the Debtors have identified in the attached analysis a potential reclamation claim amount that the Debtors propose as valid, subject to assertion of the reserved defenses listed below. Specifically, the Debtors assert that the valid amount of the Reconciled Reclamation Claim is no greater than \$189,005.00 but subject to reduction or disallowance by the defenses listed below (the "Reconciled Amount"). If ultimately allowed following the resolution of the defenses set forth below, the allowed amount of your reclamation claim will be deemed an administrative expense claim in these chapter 11 cases. Moreover, your claim, even after allowance, if ever, may be reduced by any payments or credits you receive from the Debtors on account of the goods that are the subject of the Demand.¹

This proposal, including all material enclosed herewith, is being sent to you in the context of settlement discussions and therefore is not admissible in any court proceeding regarding the Demand. In addition, in accordance with paragraph 2, section (b)(ii) of the Order, the Debtors reserve their right to seek, at any time and notwithstanding your agreement to the Reconciled Amount, a judicial determination that the following reserved defenses to the Demand are valid (the "Reserved Defenses"), and your acknowledgment of the Reconciled Amount constitutes your agreement that the Reconciled Amount may be reduced or disallowed in accordance with any judicial determination concerning these Reserved Defenses:

- (i) The Debtors do not concede that they were insolvent on the date they received the goods or, even assuming the Debtors were insolvent, you knew of the Debtors' financial condition before the Debtors received the goods.
- (ii) The goods and/or the proceeds from the sale of the goods are or were subject to a valid security interest.
- (iii) You are not a proper party to make the Demand.
- (iv) The Debtors have already paid for or returned some or all of the goods, or intend to satisfy all or a portion of the Demand in cash or by returning goods.
- (v) You, or any of your subsidiaries or affiliates, have waived your right to any reclamation claim or waived your right to assert the Demand.

¹The Debtors reserve all their rights and remedies, in law and in equity, to collect or pursue all prepetition credits outstanding, including, without limitation, to setoff such amounts against the allowed amount, if any, of your reclamation claim.

Speedline Technologies
February 21, 2006
Page 3

Reconciled Amount \$189,005.00

- (vi) You, or any of your subsidiaries or affiliates, have been paid on account of your reclamation claim pursuant to an unrelated order of the Bankruptcy Court and/or you have otherwise waived your right to any reclamation claim in connection therewith.

The Debtors may seek a determination of any of the foregoing Reserved Defenses at any time. Moreover, the Official Committee of Unsecured Creditors (the "Creditors Committee") reserves its right to raise any of the Reserved Defenses prior to the final allowance of your reclamation claim. If the Debtors seek such a judicial determination or the Creditors' Committee raises a Reserved Defense, you will be entitled to raise any rights asserted in the Demand in connection with the determination.

The offer stated herein will remain open through April 24, 2006 (the "Reconciliation Deadline"). If you agree with the Reconciled Amount and the other terms of this Statement of Reclamation, please sign this Statement where indicated and return it to the persons identified immediately below by the Reconciliation Deadline. If you disagree with the Statement of Reclamation, you must sign this Statement where indicated and return it to the persons identified immediately below by the Reconciliation Deadline and you must also provide the information required by paragraph 2, section (b)(iv) of the Order by the Reconciliation Deadline. You must send a signed Statement of Reclamation to the following:

Christina Cattell
Re: Delphi Reclamations
Mail Code # 483-400-216
5725 Delphi Drive
Troy, MI 48098
Fax: 248-813-6813

- with copies to -

Matthew J. Micheli
Re: Delphi Reclamations
Skadden, Arps, Slate, Meagher & Flom LLP
333 West Wacker Drive, Suite 2100
Chicago, IL 60606
Fax: 312-407-0411

In accordance with paragraph 2, section (b)(vi) of the Order, your failure to return a signed copy of this Statement by the Reconciliation Deadline or your failure to indicate assent or dissent on a copy of this Statement returned by the Reconciliation Deadline will be deemed an acceptance of the proposal set forth in this Statement.

Nothing in this proposal is intended, nor shall be construed, as a waiver of any of the Debtors' rights with respect to any reclamation claim or demand. In addition,

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February 21, 2006
Page 4

Reconciled Amount \$189,005.00

nothing herein shall preclude or otherwise prejudice any of the Debtors' rights to contest or raise any defense or counterclaim in law or in equity, to any reclamation claim or other demand for reclamation. Moreover, nothing herein shall waive, impair or affect the rights and defenses, if any, of any parties in interest with regard to your Reclamation Claim.

If you have any questions, please send them via email to reclamations@delphi.com or call 248-813-2581.

Very truly yours,

/s/ Christina J. Cattell

Enclosures
cc: John D. Sheehan

Claim 805

Speedline Technologies, Inc

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	Claim																		
2	Reference Number (as displayed on Claim)	Order Number	Claim Post	PO Number	Invoice Number	Shipment ID	Invoice Date	Material Number	Invoice Qty	Invoice Extended Amount	Is the claim Vendor Claim	Is the claim	Was the receipt	Valid	Valid Inventory	Has it	Valid Claim ID	Status of the Claim	
3	805	104192005	104192005	450112337	520411	520277210	10/26/05	MS946454072	1	36,048.00	Original	Yes	Yes	1	157,807.20	No	36,048.00	Does not exist in this	
4	805	104192005	104192005	450112337	520411	520277210	10/26/05	MANUAL VEC-PA	1	150.00	Original	Yes	Yes	1	150.00	No	150.00	Does not exist in this	
5	Speedline Technologies, Inc Totals										\$ 189,005.00				\$ 189,005.00		\$ 189,005.00	Lines = 3	

	Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K
	Claim Reference #	Vendor Name (as displayed on Claim)	Delphi Division	Claim Post Marked Date	PO Number	Invoice Number	Shipment ID	Invoice Date	Material Number	Invoice Qty	Extended Amount
Client number (essential to the claim by Delphi)											
Information provided by the supplier in their reclamation demand											

EXHIBIT C

Hearing Date: October 27, 2005
Hearing Time: 10:00 a.m. (Prevailing Eastern Time)

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700
John Wm. Butler, Jr. (JB 4711)
John K. Lyons (JL 4951)
Ron E. Meisler (RM 3026)

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036
(212) 735-3000
Kayalyn A. Marafioti (KM 9632)
Thomas J. Matz (TM 5986)

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:
Toll Free: (800) 718-5305
International: (248) 813-2698

Delphi Legal Information Website:
<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11
DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)
Debtors. : (Jointly Administered)
:
-----X

PROPOSED FIRST OMNIBUS HEARING AGENDA

Location Of Hearing: United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, Room 601, 6th Floor, One Bowling Green, New York, New York 10004-1408

The matters set for hearing are divided into the following categories for the purposes of this Proposed Agenda:

- A. Introduction
- B. Continued or Adjourned Matters (11 Matters)
- C. Uncontested, Agreed, or Settled Matters (6 Matters)
- D. Contested Matters (2 Matters)

B. Continued or Adjourned Matters

1. **"Interim Compensation"** – Motion For Administrative Order Under 11 U.S.C. § 331 (I) Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals And (II) Setting A Final Hearing Thereon (Docket No. 11)

Response Filed: None.

Reply Filed: None.

Related Filing: None.

Status: The portion of this matter pertaining to interim compensation is being adjourned to November 4, 2005. The portion of this matter pertaining to the establishment of a fee committee is being adjourned to November 29, 2005.

2. **"Skadden Retention"** – Application For Order Under 11 U.S.C. §§ 327(a) And 329 And Fed. R. Bankr. P. 2014 And 2016 (I) Authorizing Employment And Retention Of Skadden, Arps, Slate, Meagher & Flom LLP And Affiliates As Attorneys For Debtors-in-Possession And (II) Scheduling A Final Hearing Thereon (Docket No. 47)

Response Filed: None.

Reply Filed: None.

Related Filing: *Interim Order Under 11 U.S.C. §§ 327(a) And 329 And Fed. R. Bankr. P. 2014 And 2016 (I) Authorizing Employment And Retention Of Skadden, Arps, Slate, Meagher & Flom LLP And Affiliates As Attorneys For Debtors-in-Possession And (II) Scheduling A Final Hearing Thereon (Docket No. 274)*

Status: *This matter is being adjourned to November 4, 2005.*

3. **"Togut Segal Retention"** – Application For Order Under 11 U.S.C. § 327(a) And Fed. R. Bankr. P. 2014(a) (I) Authorizing Employment And Retention Of Togut, Segal & Segal LLP As Conflicts Counsel For Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 48)

Response Filed: *None.*

Reply Filed: *None.*

Related Filing: *Interim Order Under 11 U.S.C. § 327(a) And Fed. R. Bankr. P. 2014(a) (I) Authorizing The Employment And Retention Of Togut, Segal & Segal LLP As Conflicts Counsel For The Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 275)*

Status: *This matter is being adjourned to November 4, 2005.*

4. **"Shearman Retention"** – Application For Order Under 11 U.S.C. § 327(e) And Fed. R. Bankr. P. 2014 (I) Authorizing Employment And Retention Of Shearman & Sterling LLP As Special Counsel To Debtors And (II) Scheduling A Final Hearing Thereon (Docket No. 49)

Response Filed: *None.*

Reply Filed: *None.*

Related Filing: *Interim Order Under 11 U.S.C. § 327(e) And Fed. R. Bankr. P. 2014 (I) Authorizing Employment And Retention Of Shearman & Sterling LLP As Special Counsel To Debtors And (II) Scheduling A Final Hearing Thereon (Docket No. 273)*

Status: *This matter is being adjourned to November 4, 2005.*

5. **"Groom Law Group Retention"** – Application For Order Under 11 U.S.C. §§ 327(e) And 1107(a) (I) Authorizing Employment And Retention Of Groom Law Group Chartered As Special Employee Benefits Counsel To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 50)

Response Filed: None.

Reply Filed: None.

Related Filing: Interim Order Under 11 U.S.C. §§ 327(e) And 1107(a) (I) Authorizing Employment And Retention Of Groom Law Group Chartered As Special Employee Benefits Counsel To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 269)

Status: This matter is being adjourned to November 4, 2005.

6. **"O'Melveny & Myers Retention"** – Application For Order Under 11 U.S.C. §§ 327(e) And 1107(a) (I) Authorizing Employment And Retention Of O'Melveny & Myers LLP As Special Labor Counsel To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 51)

Response Filed: None.

Reply Filed: None.

Related Filing: Interim Order Under 11 U.S.C. §§ 327(e) And 1107(a) (I) Authorizing Employment And Retention Of O'Melveny & Myers LLP As Special Labor Counsel To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 271)

Status: This matter is being adjourned to November 4, 2005.

7. **"FTI Retention"** – Application For Order Under 11 U.S.C. § 327(a) And Fed. R. Bankr. P. 2014 And 2016 (I) Authorizing Employment And Retention Of FTI Consulting, Inc. As Restructuring And Financial Advisors To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 53)

Response Filed: None.

Reply Filed: None.

Related Filing: Interim Order Under 11 U.S.C. § 327(a) And Fed. R. Bankr. P. 2014 And 2016 (I) Authorizing Employment And Retention Of FTI Consulting, Inc. As Restructuring And Financial Advisors To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 268)

Status: This matter is being adjourned to November 4, 2005.

8. **"KCC Retention"** – Application For Order Under 28 U.S.C. § 156(c) Authorizing Retention And Appointment Of Kurtzman Carson Consultants LLC As Claims, Noticing, And Balloting Agent For Clerk Of Bankruptcy Court (Docket No. 54)

Response Filed: None.

Reply Filed: None.

Related Filing: Interim Order Under 28 U.S.C. § 156(c) Authorizing Retention And Appointment Of Kurtzman Carson Consultants LLC As Claims, Noticing, And Balloting Agent For Clerk Of Bankruptcy Court (Docket No. 270)

Status: This matter is being adjourned to November 4, 2005.

9. **"Ordinary Course Professionals"** – Motion For Order Under 11 U.S.C. §§ 327, 330, And 331 Authorizing Retention Of Professionals Utilized By Debtors In Ordinary Course Of Business (Docket No. 55)

Response Filed: None.

Reply Filed: None.

Related Filing: None.

Status: This matter is being adjourned to November 4, 2005.

10. **"Claims Trading"** – Motion For Order Under 11 U.S.C. §§ 105, 362, And 541 And Fed. R. Bankr. P. 3001 Establishing Notification And Hearing Procedures For Trading In Claims And Equity Securities (Docket No. 29)

Responses Filed: Objection to Debtor's Motion for an Order Under 11 U.S.C. Sections 105, 362 and 541 of the Bankruptcy Code and Fed. R. Bankr. P. 3001 Establishing Notification and Hearing Procedures for Trading in Claims and Securities (Docket No. 76); Appaloosa Management L.P.'s (A) Objection to Debtors' Motion for an Order Under 11 U.S.C. Sections 105, 362 and 541 and Fed. R. Bankr. P. 3001 Establishing Notification and Hearing Procedures for Trading in Claims and Equity Securities or, in the Alternative, (B) Motion for Reconsideration Under Fed. R. Bankr. P. 9023 of Interim Trading Order Dated October 12, 2005 (Docket No. 596)

Reply Filed: None.

Related Filing: Interim Order Under 11 U.S.C. §§ 105, 362, And 541 And Fed. R. Bankr. P. 3001 Establishing Notification And Hearing Procedures For Trading In Claims And Equity Securities (Docket No. 126).

Status: This matter is being adjourned to November 29, 2005.

11. **"Rothschild Retention"** – Application For Order Under 11 U.S.C. §§ 327(a) And 328 (I) Authorizing Employment And Retention Of Rothschild Inc. As Financial Advisor And Investment Banker To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 52)

Response Filed: None.

Reply Filed: None.

Related Filing: Interim Order Under 11 U.S.C. §§ 327(a) And 328 (I) Authorizing Employment And Retention Of Rothschild Inc. As Financial Advisor And Investment Banker To Debtors And (II) Scheduling Final Hearing Thereon (Docket No. 272)

Status: This matter has been scheduled for the hearing on November 29, 2005.

C. Uncontested, Agreed, or Settled Matters

12. **"Insurance Financing"** – Motion For Order Under 11 U.S.C. §§ 361 And 363(b) And Fed. R. Bankr. P. 4001(c) Authorizing Debtors To Continue Honoring Prepetition Insurance Premium Finance Agreement And Continue Grant Of Security Interest To Insurance Premium Finance Company (Docket No. 44)

Response Filed: None.

Reply Filed: None.

Related Filing: None.

Status: An order will be submitted for consideration by the Court.

13. **"HSBC Purchase Card"** – Motion For Order Under 11 U.S.C. §§ 105, 363, 364, And 365(a) Authorizing Debtors To Assume Or Otherwise Take Actions Necessary To Cure And Continue Use Of Purchase Card Agreement And Travel Card Agreement With HSBC Bank USA, National

Association Used For Low-Cost, Business-Related Goods, Services, And Travel (Docket No. 324)

Response Filed: None.

Reply Filed: None.

Related Filing: None.

Status: An order will be submitted for consideration by the Court.

14. **"Pacific Rim"** – Motion For Order Under 11 U.S.C. § 365(a) Authorizing Rejection Of Pacific Rim Lease (Docket No. 325)

Response Filed: None.

Reply Filed: None.

Related Filing: None.

Status: An order will be submitted for consideration by the Court.

15. **"De Minimis Assets"** – Motion For An Order Under 11 U.S.C. § 363 Approving Procedures To Sell Certain De Minimis Assets Free And Clear Of Liens, Claims, And Encumbrances And To Pay Market Rate Broker Commissions In Connection With Such Sales Without Further Court Approval (Docket No. 327)

Response Filed: None.

Reply Filed: None.

Related Filing: None.

Status: An order will be submitted for consideration by the Court.

16. **"Utilities"** – Motion For Interim And Final Orders Under 11 U.S.C. §§ 105, 366, 503, And 507 (I) Prohibiting Utilities From Altering, Refusing, Or Discontinuing Services On Account Of Prepetition Invoices And (II) Establishing Procedures For Determining Requests For Additional Assurance (Docket No. 41)

Responses Filed: Objection of SBC Communications Inc. to the Debtors' Motion for Final Order Under 11 U.S.C. §§ 105, 366, 503 and 507 (I) Prohibiting Utilities from

Altering, Refusing or Discontinuing Services on Account of Prepetition Invoices and (II) Establishing Procedures for Determining Requests for Additional Adequate Assurance (Docket No. 559); Objection of Certain Utility Companies to Motion for Interim and Final Orders Under 11 U.S.C. §§ 105, 366, 503 and 507 (I) Prohibiting Utilities from Altering, Refusing or Discontinuing Services on Account of Prepetition Invoices and (II) Establishing Procedures for Determining Requests for Additional Adequate Assurance (Docket No. 563); Response of Constellation Newenergy, Inc. to Motion for Final Order Under 11 U.S.C. §§ 105, 366, 503 and 507 (I) Prohibiting Utilities from Altering, Refusing or Discontinuing Services on Account of Prepetition Invoices and (II) Establishing Procedures for Determining Requests for Additional Adequate Assurance (Docket No. 568); Objection of AT&T Corp. to Debtors' Motion for an Order Pursuant to Section 366(b) of the Bankruptcy Code Deeming Utilities Adequately Assured of Future Performance (Docket No. 572); Objection of Entergy to Motion of Debtors for Interim and Final Orders Under 11 U.S.C. §§ 105, 366, 503 and 507 (I) Prohibiting Utilities from Altering, Refusing or Discontinuing Services on Account of Prepetition Invoices and (II) Establishing Procedures for Determining Requests for Additional Adequate Assurance (Docket No. 575)

Reply Filed: None.

Related Filing: *Interim Order Under 11 U.S.C. §§ 105, 366, 503, And 507 (I) Prohibiting Utilities From Altering, Refusing, Or Discontinuing Services On Account Of Prepetition Invoices (Docket No. 234)*

Status: *This matter is being adjourned to November 29, 2005 with respect to AT&T Corp., Entergy Mississippi, Inc., SBC Communications Inc., American Electric Power, Dominion East Ohio, New York State Electrical And Gas Corporation, Niagara Mohawk Power Corporation, Public Services Electric And Gas Company, And Rochester Gas & Electric Corporation. The matter with respect to Constellation Newenergy, Inc. is resolved. With respect to all other parties, a revised order will be submitted for consideration by the Court.*

17. **"Duraswitch"** – Motion For Order Under 11 U.S.C. § 365(a) Authorizing Rejection Of License Agreement With Duraswitch Industries, Inc. (Docket No. 329)

Response Filed: *Objection Of Duraswitch Industries, Inc. To Debtors' Motion For An Order Under 11 U.S.C. 365(a) Authorizing Rejection Of License Agreement With Duraswitch Industries, Inc. (Docket No. 629)*

Reply Filed: *None.*

Related Filing: *None.*

Status: *A revised order will be submitted for consideration by the Court.*

D. Contested Matters

18. **"Cash Management"** – Motion For Order Under 11 U.S.C. §§ 363 And 553 Authorizing (I) Continued Maintenance Of Existing Bank Accounts, (II) Continued Use Of Existing Cash Management System, (III) Continued Use Of Existing Business Forms, (IV) Preservation And Exercise Of Intercompany Setoff Rights, And (V) Grant Of Administrative Status For Postpetition Intercompany Transactions (Docket No. 24)

Response Filed: *Limited Omnibus Objections of Pension Benefit Guaranty Corporation to (A) Interim Cash Management Order and (B) Debtor in Possession Financing Motion (Docket No. 437); Statement Of The Official Committee Of Unsecured Creditors In Response To Debtors' Motion For Order Under 11 U.S.C Section 363 And 553 Authorizing (I) Continued Maintenance Of Existing Bank Accounts, (II) Continued Use Of Existing Cash Management System, (III) Continued Use Of Existing Business Forms, (IV) Preservation And Exercise Of Intercompany Setoff Rights, And (V) Grant Of Administrative Status For Postpetition Intercompany Transactions (Docket No. 639)*

Reply Filed: *None.*

Related Pleading: *Bridge Order Under 11 U.S.C. §§ 363 And 553 Authorizing (I) Continued Maintenance Of Existing Bank Accounts, (II) Continued Use Of Existing Cash Management System, (III) Continued Use Of Existing Business Forms, (IV) Preservation And Exercise Of Intercompany Setoff Rights, And (V)*

Grant Of Administrative Status For Postpetition Intercompany Transactions (Docket No. 36); Interim Order Under 11 U.S.C. §§ 363 And 553 Authorizing (I) Continued Maintenance Of Existing Bank Accounts, (II) Continued Use Of Existing Cash Management System, (III) Continued Use Of Existing Business Forms, (IV) Preservation And Exercise Of Intercompany Setoff Rights, And (V) Grant Of Administrative Status For Postpetition Intercompany Transactions (Docket No. 240)

Status: *A revised order will be submitted for consideration by the Court.*

19. **"DIP Financing"** – Motion For Order Under 11 U.S.C. §§ 105, 361, 362, 363, 364(c), 364(d) And 364(e) And Fed. R. Bankr. P. 2002, 4001, And 9014 (I) Authorizing Debtors To Obtain Secured Postpetition Financing On Superpriority Secured And Priming Basis, (II) Authorizing Use Of Cash Collateral, (III) Granting Adequate Protection To Prepetition Secured Lenders, (IV) Granting Interim Relief, And (V) Scheduling A Final Hearing Under Fed. R. Bankr. P. 4001 (b) And (c) (Docket No. 42)

*Responses Filed:*¹

a. PBGC: *Limited Omnibus Objections of Pension Benefit Guaranty Corporation to (A) Interim Cash Management Order and (B) Debtor in Possession Financing Motion (Docket No. 437);*

b. Prepetition Lenders: *Objection of Ad Hoc Committee of Prepetition Lenders to Debtors' Motion for Postpetition Financing (Docket No. 553); Response and Reservation of Rights of the Prepetition Agent to the Proposed Adequate Protection for the Prepetition Lenders in the Debtor in Possession Financing Motion (Docket No. 612)*

c. Aircraft Lessors: *Objection of Bank of America N.A. to Debtors' Motion for Postpetition Financing*

¹ Responses listed in bold were filed after the October 20, 2005 4:00 p.m. (prevailing eastern time) objection deadline established under the *Interim Order Under 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) And 364(e) And Fed. R. Bankr. P. 2002, 4001, And 9014 (I) Authorizing Debtors To Obtain Postpetition Financing, (II) To Utilize Cash Collateral, (III) Granting Adequate Protection To Prepetition Secured Parties And (IV) Scheduling A Final Hearing Under Fed. R. Bankr. P. 4001 (b) And (c)* granted by this Court on October 12, 2005 (Docket No. 164).

and for Adequate Protection (Docket No. 565);

d. Setoff Claimants:

Limited Objection by Robert Bosch Corporation and Affiliates to Financing Motion and Interim DIP Financing Order, and Request by Bosch for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 428); Limited Objection of Mercedes-Benz International, Inc. to Debtors' Motion for an Order Authorizing Debtors to Obtain Post-Petition Financing and for Related Relief (Docket No. 435); Limited Objection of Venture Plastics, Inc. to Financing Motion and Interim DIP Financing Order, and Request by Venture Plastics, Inc. for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 436); Limited Objection by Calsonic Kansei North America, Inc. to Financing Motion and Interim DIP Financing Order (Docket No. 442); Limited Objection of DaimlerChrysler Corporation to Interim DIP Financing Order (Docket No. 450); Limited Objection by Decatur Plastic Products, Inc. to Financing Motion and Interim DIP Financing Order, and Request by Decatur for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 451); Limited Objection of Gibbs Die Casting Corporation to Motion For Order Under 11 U.S.C. §§ 105, 361, 362, 363, 364(c), 364(d) And 364(e) And Fed. R. Bankr. P. 2002, 4001, And 9014 (I) Authorizing Debtors To Obtain Secured Postpetition Financing On Superpriority Secured And Priming Basis, (II) Authorizing Use Of Cash Collateral, (III) Granting Adequate Protection To Prepetition Secured Lenders, (IV) Granting Interim Relief, And (V) Scheduling A Final Hearing Under Fed. R. Bankr. P. 4001 (b) And (c), and Request for Adequate Protection of Pre-Petition Setoff and Statutory Lien Rights (Docket No. 455); Limited Objection by Lorentson Manufacturing Company, Inc. to Financing Motion and Interim DIP Financing Order,

*and Request by Lorentson for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 458); Limited Objection of Autocam Corporation to Motion For Order Under 11 U.S.C. §§ 105, 361, 362, 363, 364(c), 364(d) And 364(e) And Fed. R. Bankr. P. 2002, 4001, And 9014 (I) Authorizing Debtors To Obtain Secured Postpetition Financing On Superpriority Secured And Priming Basis, (II) Authorizing Use Of Cash Collateral, (III) Granting Adequate Protection To Prepetition Secured Lenders, (IV) Granting Interim Relief, And (V) Scheduling A Final Hearing Under Fed. R. Bankr. P. 4001 (b) And (c) (Docket No. 459); Limited Objection by Lorentson Manufacturing Company Southwest, Inc. to Financing Motion and Interim DIP Financing Order, and Request by Lorentson for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 461); **Limited Objection of Ford Motor Company to Interim Order Under 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) And 364(e) And Fed. R. Bankr. P. 2002, 4001, And 9014 (I) Authorizing Debtors To Obtain Postpetition Financing, (II) To Utilize Cash Collateral, (III) Granting Adequate Protection To Prepetition Secured Parties And (IV) Scheduling A Final Hearing Under Fed. R. Bankr. P. 4001 (b) And (c) (Docket No. 495); Joinder in Limited Objections to Financing Motion and Interim DIP Financing Order, and Request by Freescale Semiconductor, Inc. for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 501); Joinder by Nissan North America, Inc. to Certain Responses in Opposition to the Motion of the Debtors Seeking Postpetition Financing (Docket No. 503); Joinder of Fujikura America, Inc. in Limited Objection to financing Motion and Interim DIP Financing Order, and Request by Fujikura America, Inc. for Adequate Protection for Pre-Petition Setoff Rights***

(Docket No. 506); Joinder of Murata Electronics North America Inc. in Limited Objections to Financing Motion and Interim DIP Financing Order, and Request by Murata Electronics North America, Inc. for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 507); Joinder of Flextronics International Asia-Pacific Ltd. and Flextronics Technology (M) SDN. BHD. In Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights (Docket No. 511); Joinder of Multek Flexible Circuits, Inc., Sheldahl de Mexico S.A. de C.V., and Northfield Acquisition Co. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights (Docket No. 512); Limited Objection of Omega Tool Corp., L&W Engineering Co., Southtec, LLC, DOTT Industries, Inc., ALPS Automotive, Inc., Pioneer Automotive Technologies, Inc., Lakeside Plastics Limited, Android Industries, Inc., Ai-Doraville, LLC, and Ai-Genesee, LLC to Entry of a Final Order Authorizing Postpetition Financing and the Use of Cash Collateral, and Granting Adequate Protection (Docket No. 551); Limited Objection of Honda Entities to Financing Motion and Interim and/or Final DIP Financing Order (Docket No. 577); Joinder of Osram Opto Semiconductors Inc. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights (Docket No. 589); Limited Objection of the Worthington Steel Company and Worthington Steel of Michigan, Inc. to Financing Motion and

Interim and/or Final DIP Financing Order (Docket No. 590); Joinder of Hitachi Automotive Products (USA), Inc. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights (Docket No. 591); Joinder of National Molding Corp. and Security Plastics Division/NMC, LLC in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights (Docket No. 600); Joinder of Arneses Electronics Automotrices, S.A. DE C.V. and Cordaflex, S.A. de C.V. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights (Docket No. 619); Request of Ford Motor Company for Different Adequate Protection Pursuant to Paragraph 18 of the Interim Order Under 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) And 364(e) And Fed. R. Bankr. P. 2002, 4001, And 9014 (I) Authorizing Debtors To Obtain Postpetition Financing, (II) To Utilize Cash Collateral, (III) Granting Adequate Protection To Prepetition Secured Parties And (IV) Scheduling A Final Hearing Under Fed. R. Bankr. P. 4001 (b) And (c) (Docket No. 623); Objection to Motion for DIP Financing and Interim DIP Financing Order and Request for Adequate Protection for Pre-Petition Setoff Rights as well as Preservation of Reclamation Rights filed by Neuman Aluminum Automotive, Inc. and Neuman Aluminum Impact Extrusion, Inc. (Docket No. 631); Joinder of Magna International, Inc. and Certain of its Affiliates in Limited Objection of Omega Tool Corp., L&W Engineering Co.,

Southtec, LLC, Dott Industries, Inc., Alps Automotive, Inc., Pioneer Automotive Technologies, Inc., Lakeside Plastics Limited, Android Industries, Inc., Ai-Doraville, LLC, and Ai-Genesee, LLC to Entry of a Final Order Authorizing Postpetition Financing and the Use of Cash Collateral, and Granting Adequate Protection (Docket No. 632); Limited Objection of A. Schulman, Inc. to Financing Motion and Interim and/or Final DIP Financing Order (Docket No. 634); Joinder of Textron Fastening Systems, Inc. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights as Well as Preservation of Reclamation Rights (Docket No. 643); Joinder of ARC Automotive, Inc. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order and Request for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 646); Amended Joinder of Fujikura America, Inc. in Limited Objections to Financing Motion and Interim DIP Financing Order, and Request by Fujikura America, Inc. for Adequate Protection for Pre-Petition Setoff Rights and Preservation of Reclamation Rights (Docket No. 648); Amended Joinder of Murata Electronics North America, Inc. in Limited Objections to Financing Motion and Interim DIP Financing Order, and Request by Fujikura America, Inc. for Adequate Protection for Pre-Petition Setoff Rights and Preservation of Reclamation Rights (Docket No. 649); Joinder of XM Satellite Radio Inc. in Limited Objections to DIP Financing Motion and Interim DIP Financing Order, and Request for Adequate Protection for Pre-Petition Setoff Rights (Docket No. 651); General Motors Corporation's Conditional Objection to Debtors' Request for Final Order Granting

*Adequate Protection to Prepetition Lenders
by Priming Setoff Rights (Docket No. 658)*

e. Official Committee Of Unsecured Creditors:

*Statement Of The Official Committee Of
Unsecured Creditors In Response To
Debtors' Motion For Order Under 11 U.S.C.
Section 105, 361, 362, 363, 364(c), 364(d),
And 364(e) And Fed. R. Bankr. P. 2002, 4001,
And 9014 (I) Authorizing Debtors To Obtain
Secured Postpetition Financing On
Superpriority Secured And Priming Basis, (II)
Authorizing Use Of Cash Collateral, (III)
Granting Adequate Protection To
Prepetition Secured Lenders, (IV) Granting
Interim Relief, And (V) Scheduling A Final
Hearing Under Fed. R. Bankr. P. 4001(b)
And (c) (Docket No. 641)*

*Reply Filed: Debtors' Omnibus Reply To Objections To DIP
Financing Motion (Undocketed)*

*Related Pleading: Bridge Order Under 11 U.S.C. §§ 105, 361, 362, 363,
364(c), 364(d) And 364(e) And Fed. R. Bankr. P.
2002, 4001, And 9014 (I) Authorizing Debtors To
Obtain Secured Postpetition Financing On
Superpriority Secured And Priming Basis, (II)
Authorizing Use Of Cash Collateral, (III) Granting
Adequate Protection To Prepetition Secured
Lenders, (IV) Granting Interim Relief, And (V)
Scheduling A Final Hearing Under Fed. R. Bankr. P.
4001 (b) And (c) (Docket No. 46); Objection of Bank
of America Leasing & Capital, LLC to Debtors'
Motion for Postpetition Financing and for Adequate
Protection (Docket No. 70); Limited Objection of Ad
Hoc Committee of Prepetition Secured Lenders to
Debtors' Motion for Postpetition Financing (Docket
No. 101); Interim Order Under 11 U.S.C. §§ 105,
361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1)
And 364(e) And Fed. R. Bankr. P. 2002, 4001, And
9014 (I) Authorizing Debtors To Obtain Postpetition
Financing, (II) To Utilize Cash Collateral, (III)
Granting Adequate Protection To Prepetition
Secured Parties And (IV) Scheduling A Final
Hearing Under Fed. R. Bankr. P. 4001 (b) And (c)
(Docket No. 164)*

Status: The hearing with respect to this matter will go forward.

Dated: New York, New York
October 26, 2005

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: _____
John Wm. Butler, Jr. (JB 4711)
John K. Lyons (JL 4951)
Ron E. Meisler (RM 3026)
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700

- and -

By: _____
Kayalyn A. Marafioti (KM 9632)
Thomas J. Matz (TM 5986)
Four Times Square
New York, New York 10036
(212) 735-3000

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

EXHIBIT C

Objection Deadline: August 24, 2006

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
In re : Chapter 11
:
DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)
:
Debtors. : (Jointly Administered)
:
----- X

NOTICE OF INTENTION TO ENTER INTO REAL PROPERTY LEASE
(Streetsboro, Ohio Lease)

1. ORDER APPROVING ENTERING INTO NEW LEASES

PLEASE TAKE NOTICE that on January 6, 2006, the United States Bankruptcy Court for the Southern District of New York entered an Order Under 11 U.S.C. §§ 363, 1107, And 1108 Approving Procedures To Enter Into Or Renew Real Property Leases Without Further Court Approval (the "Order," a copy of which is attached hereto as Exhibit 1) (Docket No. 1777). The Order authorized the above-captioned debtors and debtors-in-possession (the "Debtors") to enter into the following real property lease (the "Lease") upon notice to the Notice Parties (as defined in the Order) without further Court approval:

Location Of Leased Premises:

**650 Mondial Parkway
Streetsboro, Ohio 44241**

2. LEASE EFFECTIVE DATE

PLEASE TAKE FURTHER NOTICE that the Debtors intend to enter into the Lease on or after August 25, 2006 unless an objection is served in the manner described in the Order.

3. LESSOR

Scher Development, Ltd., an Ohio limited partnership

PLEASE TAKE FURTHER NOTICE that the Lessor under the Lease is not an "insider" of any of the Debtors as defined in 11 U.S.C. §101(31).

4. DESCRIPTION OF LEASE TERMS

PLEASE TAKE FURTHER NOTICE that a description of the terms of the Lease is attached hereto as Exhibit 2.

Dated: New York, New York
August 10, 2006

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ John Wm. Butler, Jr.
John Wm. Butler, Jr. (JB 4711)
John K. Lyons (JL 4951)
Ron E. Meisler (RM 3026)
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700

- and -

By: /s/ Kayalyn A. Marafioti
Kayalyn A. Marafioti (KM 9632)
Thomas J. Matz (TM 5986)
Four Times Square
New York, New York 10036
(212) 735-3000

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

Exhibit 1 - Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11
DELPHI CORPORATION, et al., : Case No. 05-44481 (RDD)
Debtors. : (Jointly Administered)
-----X

ORDER UNDER 11 U.S.C. §§ 363, 1107, AND 1108 APPROVING
PROCEDURES TO ENTER INTO OR RENEW REAL PROPERTY
LEASES WITHOUT FURTHER COURT APPROVAL

("LEASE PROCEDURES ORDER")

Upon the motion, dated December 16, 2005 (the "Motion"), of Delphi Corporation and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), for an order (the "Order") under 11 U.S.C. §§ 365, 1107, and 1108 approving procedures to enter into new or renew existing non-residential leases or subleases of real property (the "Leases") without further Court approval; and upon the record of the hearing held on the Motion; and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties-in-interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED as provided herein.



2. The Debtors are hereby authorized but not directed to enter into or renew the Leases without further Court approval, subject to the procedures set forth below.

3. For a Lease with average Lease obligations of \$200,000 or less per annum or Lease obligations of \$1 million or less in the aggregate (a "De Minimis Lease"), the Debtors shall be authorized but not directed to enter into or renew a De Minimis Lease without further Bankruptcy Court approval. The Debtors, however, shall use reasonable efforts to provide notice of the terms of any De Minimis Lease it intends to enter into to counsel for the Official Committee of Unsecured Creditors prior to entering into such De Minimis Lease. In the event Debtors are unable to provide such notice to counsel for the Official Committee of Unsecured Creditors prior to entering into a De Minimis Lease, Debtors shall provide such notice after the Debtors enter into the De Minimis Lease. Notwithstanding the foregoing, if a lessor under a De Minimis Lease is an "insider" as defined in section 101(31) of the Bankruptcy Code, the Debtors shall comply with the procedures set forth in paragraph 4 herein.

4. For a Lease with average lease obligations of \$200,001 or more per annum or Lease obligations in excess of \$1 million up to and including \$5 million in the aggregate, the Debtors shall give notice of their intention to enter into or renew such Lease (the "Lease Notice") to (a) the Office of the United States Trustee for the Southern District of New York, (b) counsel for the Official Committee of Unsecured Creditors, (c) counsel for the agent under the Debtors' prepetition credit facility, and (d) counsel for the agent under the Debtors' post-petition facility (collectively, the "Notice Parties"). The Debtors shall serve the Lease Notice by facsimile, overnight delivery, or hand delivery. The Lease Notice shall include the following information: (a) the proposed Lease to be entered into or renewed, (b) the identity of the lessor (including a statement as to whether the proposed lessor is an "insider" as defined in section 101(31) of the

Bankruptcy Code), and (c) a description of the terms of the proposed Lease. The Notice Parties shall have ten business days following initial receipt of the Lease Notice to object to or request additional time to evaluate the proposed Lease. If counsel to the Debtors receives no written objection or written request for additional time prior to the expiration of such ten business day period, the Debtors shall be authorized to enter into or renew the Lease. If a Notice Party objects to the proposed Lease within ten business days after the Lease Notice is received, the Debtors and such objecting Notice Party shall meet and confer in an attempt to negotiate a consensual resolution. Should either party determine that an impasse exists, then the Debtors shall move the Bankruptcy Court for authority to enter into or renew the Lease, as the case may be, upon notice to the objecting party and other parties-in-interest in accordance with the Court's Case Management Order entered on October 14, 2005 ("Case Management Order").

5. For a Lease with Lease obligations in excess of \$5 million in the aggregate, the Debtors will be authorized to enter into the Lease only after obtaining Bankruptcy Court approval of the proposed Lease after notice and a hearing.

6. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

7. The requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York for the service and filing of a separate memorandum of law is deemed satisfied by the Motion.

Dated: New York, New York
January 6, 2006

/s/ Robert D. Drain

UNITED STATES BANKRUPTCY JUDGE

Exhibit 2 - Lease Terms

1. Landlord: Scher Development, Ltd.
c/o Cresco Real Estate
Attn: Bob Garber
3 Summit Park Drive, Suite 200
Independence, Ohio 44131
2. Tenant: Delphi Automotive Systems LLC
3. Premises: 12,530 square feet

650 Mondial Parkway
Streetsboro, Ohio 44241
4. Projected Commencement Date: October 1, 2006
5. Projected Expiration Date: November 30, 2011
6. Security Deposit: \$12,007.92
7. Monthly Base Rent:

First Lease Year:	\$12,007.92
Second Lease Year:	\$12,248.08
Third Lease Year:	\$12,493.04
Fourth Lease Year:	\$12,742.90
Fifth Lease Year:	\$12,997.76
Sixth Lease Year:	\$13,257.71

(there are only two months
in the Sixth Lease year)
8. Common Area Expense, Taxes,
And Utilities: This is a Single Tenant Building: Delphi is solely
responsible for the costs for maintenance, taxes, and
utilities. The estimated operating expenses for 2006
are \$6.25/per square foot which is equal to
\$6,526.04 per month
9. Rent Concession: Tenant shall have no obligation to pay rent (base or
additional) for the first month following the
commencement date
10. Tenant Improvement Allowance: \$37,590.00
11. Permitted Use: General office use
12. Extension Option: Two additional successive terms of three years each

EXHIBIT D

COMPANY	CONTACT	ADDRESS1	ADDRESS2	CITY	STATE	ZIP	PHONE	PARTY / FUNCTION
Edwards Angell Palmer & Dodge LLP	Shmuel Vasser	750 Lexington Avenue	8th Floor	New York	NY	10022	212-308-4411	Counsel to Speedline Technologies, Inc.